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Financing of the United Nations Interim Administration Mission in Kosovo

Performance report on the budget of the United Nations Interim Administration Mission in Kosovo for the period from 1 July 2002 to 30 June 2003

Report of the Secretary-General

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Summary

The present report contains the performance report on the budget of the United Nations Interim Administration Mission in Kosovo (UNMIK) for the period from 1 July 2002 to 30 June 2003.

The total expenditure for UNMIK for the period from 1 July 2002 to 30 June 2003 has been linked to the Mission's objective through a number of results-based frameworks, grouped by components, namely substantive civilian, rule of law and support.

Performance of financial resources

(Thousands of United States dollars. Budget year is from 1 July 2002 to 30 June 2003.)

			Variance	
Category	*Apportionment*	*Expenditure*	*Amount*	*Percentage*
Military and police personnel	118 916.3	115 208.7	3 707.6	3.1
Civilian personnel	166 308.5	170 595.0	(4 286.5)	(2.6)
Operational costs	44 775.2	44 164.1	611.1	1.4
Gross requirements	**330 000.0**	**329 967.8**	**32.2**	**0.0**
Staff assessment income	22 968.9	25 082.5	(2 113.6)	(9.2)
Net requirements	**307 031.1**	**304 885.3**	**2 145.8**	**0.7**
Voluntary contributions in kind (budgeted)	—	—	—	—
Total requirements	**330 000.0**	**329 967.8**	**32.2**	**0.0**

Human resources incumbency performance

Category	*Approved*[a]	*Planned (average)*	*Actual (average)*	*Vacancy rate (percentage)*[b]
Military observers	38	38	38	—
Civilian police	3 515	3 515	3 189	9.3
Formed police units	1 203	1 203	1 192	0.9
International staff	1 227	1 163	1 021	12.2
National staff	3 504	3 438	3 273	4.8
United Nations Volunteers	250	250	216	13.6

[a] Represents the highest level of authorized strength.

[b] Based on monthly incumbency and planned strength.

The actions to be taken by the General Assembly are set out in section V of the present report.

I. Introduction

1. The budget for the maintenance of the United Nations Interim Administration Mission in Kosovo (UNMIK) for the period from 1 July 2002 to 30 June 2003 was set out in the report of the Secretary-General of 31 January 2002 (A/56/802) and amounted to $391,076,200 gross ($363,861,900 net). It provided for 38 military liaison officers, 4,718 civilian police, 1,323 international staff, 3,669 national staff and 250 United Nations Volunteers. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 35 of its report dated 4 April 2002 (A/56/887/Add.6), recommended that the General Assembly appropriate $330 million gross for the period from 1 July 2002 to 30 June 2003. The Advisory Committee also recommended that after the municipal elections in Kosovo, the Secretary-General should prepare a plan to downsize the Mission.

2. The General Assembly, by its resolution 56/295 of 27 June 2002, appropriated an amount of $330 million gross ($307,031,100 net) for the maintenance of the Mission for the period from 1 July 2002 to 30 June 2003. The total amount has been assessed on Member States.

II. Mandate performance

3. The mandate of UNMIK was established by the Security Council in its resolution 1244 (1999) of 10 June 1999.

4. The Mission is mandated to help the Security Council achieve an overall objective, namely, to maintain international peace and security.

5. Within this overall objective, the Mission has during the performance report period contributed to a number of accomplishments by delivering related key outputs, shown in the frameworks below. These frameworks are grouped by components: substantive civilian, rule of law and support. The components reflect, rather than determine, the common programmatic nature of the expected accomplishments and outputs contained therein.

6. The frameworks represent a shift towards a results-based budgeting approach. The 2002/03 budget did not include standard frameworks for planned results, which would have been the baseline against which performance would be measured and reported. Therefore, the Mission's mandate performance is presented in a transitional format showing the actual indicators of achievement and actual outputs during the 2002/03 period for which information was available. The expected accomplishments would lead to the fulfilment of the Security Council's objective within the time frame of the Mission and the actual indicators of achievement show a measurement of progress towards such accomplishments during the performance period. The actual outputs represent the contributions made by the Mission towards the expected accomplishments during the performance period.

Component 1: Substantive civilian

Expected accomplishments	*Actual indicators of achievement*
1.1 Further development of Provisional Institutions of Self-Government (PISG)	1.1.1 Increasingly effective public services delivery in transferred competencies to all ethnic communities by PISG and municipalities as evidenced by compliance with financial rules and rules and procedures for human resources management and administration (e.g. rules for procurement of goods and services, financial audits)
	1.1.2 Representation of women in new Municipal Assemblies increased from 8% following the 2000 municipal elections to 28% following the 2002 municipal elections; women constituted 28% of the Kosovo Assembly and 15 (up from 0) department heads were women
	1.1.3 Minority representation in PISGs increased from 0 to 6% Kosovo-Serbs and 3.4% other minorities at central levels; 12% Kosovo-Serbs and 3.3% other minorities in municipalities; 7.5% Kosovo-Serbs and 4.7% other minorities in areas reserved under the Constitutional Framework
	1.1.4 Kosovo Protection Corps: 44% of positions (equal to 122) set aside for minorities filled
	1.1.5 Increased delivery of public goods and services to minorities, thus reducing need for reliance of minorities on parallel structures currently providing services, as measured by steady rise in Kosovo Consolidated Budget and municipal budget allocations and expenditures, items of infrastructure (education/health facilities), fair share financing performance
	1.1.6 First phase of UNMIK staff withdrawal from executive to advisory/monitoring functions at central and municipal levels completed, including reduction of ministry and municipality staff as a result of handover of financial administration; removal of principal international officers, regional and municipal administrators from line/executive functions; merger of 5 regions into 4

Actual outputs

- Ensured that Kosovo Assembly functioned mostly in conformity with rules of procedure and provisions of constitutional framework through monitoring of Assembly sessions; intervened in cases of violations
- Observed and reported on 46 Kosovo Assembly sessions, thereby providing comprehensive monitoring of Assembly activities
- Monitored for adherence to Security Council resolution 1244 (1999), the Constitutional Framework and the applicable law approximately 360 sessions of 30 Municipal Assemblies; intervened to suspend decisions contravening resolution 1244 (1999) and UNMIK regulations in 4 municipalities

- Certified 24 out of 30 municipalities for having adequate procedures and controls based on certification audits performed in 30 municipalities and financial regulations passed
- Advocated greater presence of ethnic minorities and women in PISG and achieved representation from 0 to the following levels through affirmative action, target-setting, elaboration of anti-discrimination legislation, provision of expertise and advice: 6% Kosovo-Serbs and 3.4% other minorities in PISG; 12% Kosovo-Serbs and 3.3% other minorities in municipalities; 7.5% Kosovo-Serbs and 4.7% other minorities in areas reserved under the constitutional framework; 28% of all members are women in the Kosovo Assembly; 1% of ministers and 12 department heads are women in the PISG; 8% representation of women in municipal authorities
- Conducted second municipal elections and implemented results: 30 Municipal Assemblies sworn in, established Board of Directors in 24 of 30 municipalities
- Intervened to establish functioning mixed Serb-Albanian administrations in five municipalities as a result of which the Deputy Presidents were appointed in those municipalities
- Established Transfer Council and transferred 19 of 44 non-reserved competencies (as defined by chapter 5 of the Constitutional Framework and relating to technical, managerial and legal functions in ministries) to the PISG
- Reviewed 18 PISG laws and promulgated them in accordance with the Constitutional Framework
- Established UNMIK administration in Mitrovica
- Designed and implemented three billboard campaigns with supporting posters and brochures (in three languages) for promoting understanding of benchmarks and the targets for achieving them
- Organized 10 public town hall discussions in all five regions of Kosovo on benchmarks and "standards before status"

Comments

Progress made difficult by occasional lack of cooperation of Kosovar political leaders

Provisional Institutions of Self-Government encroaching on reserved competencies and/or not respecting minority rights in legislation

Continued support by Belgrade for parallel structures

Delay in forming municipal structures following elections owing to necessity to form coalitions

Expected accomplishments	*Actual indicators of achievement*
1.2 Creation of an environment for sustainable returns, protection of minority rights and freedom of movement	1.2.1 Reduction to one third of all "fixed" military security guard posts and transition of security tasks from the Kosovo Force to UNMIK police, the Kosovo Police Service and other civilian PISG authorities as part of the implementation of the security transition strategy
	1.2.2 Overall number of minority returnees to Kosovo to exceed the total number of minorities leaving Kosovo
	1.2.3 Development of a forensic capacity as part of the process of identification of missing persons through the establishment and staffing of the Office on Missing Persons and Forensics
	1.2.4 Expanded freedom of movement for minority communities throughout Kosovo

Actual outputs

- Facilitated the free movement of over 35,000 passengers per month via the 25 UNMIK-PISG humanitarian bus lines that service the transport of minority communities from isolated areas in Kosovo to population and market centres throughout Kosovo
- Managed the civil service bus system, which transports over 250 members of minority communities from all geographic regions of Kosovo each day to places of work in Pristina, as well as in municipal and regional centres
- Expanded freedom of movement train operations in terms of increases in number of passengers, kilometre radius covered and numbers of lines servicing minority communities
- Established functioning Municipal Working Groups on Returns in 29 municipalities
- Facilitated 3,203 returns to Kosovo through coordinated returns mechanisms at both the central and local levels and ensured that adequate resources were found and allocated to meet existing demands and needs for minority returns
- Conducted over 150 go-and-see visits, enabling over 500 individuals to travel to their place of origin to examine the status of their property and existing conditions for their return
- Facilitated and organized regular meetings of the Advisory Board on Communities in order to develop coordinated policy responses to priority minority rights issues
- Conducted donor meeting on returns funding and organized 2 donor briefings and several donor visits to return sites resulting in donor funding for returns projects in excess of €34 million
- Campaigned for, allocated and managed €7 million funding of returnees from PISG authorities from the Kosovo Consolidated Budget surplus from 2002/03 budget cycle
- Established 24 Municipal Community Offices
- Resolved 6,600 property claims, approximately 2,500 of which required further follow-up actions or evictions

- Administered more than 3,000 houses through Housing and Property Directorate for purposes of providing controlled access to private property to prevent illegal occupation and allocating humanitarian accommodation to social cases, including minorities and returnees
- Promulgated regulation on the Kosovo Consolidated Budget, including requirement for "fair share financing", monitored and intervened regarding fair share budget process to ensure that minorities in each municipality have equitable share in municipal resources
- Established Special Needs Certification Authority, which has processed over 400 claims to ensure equitable minority access to debt forgiveness in conjunction with electricity provision
- Monitored PISG implementation of affirmative action policies and intervened where necessary at both the municipal and ministerial levels to attain the ranges for minority employment mandated by the Special Representative of the Secretary-General
- Conducted 5 clothing exhibits of missing/unidentified persons
- Identified 223 bodies

Comments

Economic environment not conducive

Perceived uncertainties in security and political environment

Declining donor support for return projects

Expected accomplishments	*Actual indicators of achievement*
1.3 Dialogue with Belgrade and regional cooperation	1.3.1 Participation in regional cooperation meetings and conclusion of police border agreements

Actual outputs

- Signed police cooperation agreements with Albania and the former Yugoslav Republic of Macedonia
- Established two additional border crossing points between Albania and Kosovo
- Organized and led multi-ethnic Kosovo delegation to the European Union Summit in Thessaloniki, Greece
- Participation in Ohrid Regional Conference on Border Security and Management on behalf of Kosovo

Comments

Political instability following assassination of the Serbian Prime Minister

Unresolved status question complicates relations with Belgrade and regional neighbours

Expected accomplishments	*Actual indicators of achievement*
1.4 Progress towards transition to a market economy	1.4.1 Legislative framework for the development of the Kosovo economy is compliant with European Union standards
	1.4.2 Increased collection of customs revenue by 15%, from €60.8 million during 2001/02 budget cycle
	1.4.3 Operational and sustainable institutional and infrastructure base as evidenced by quarterly expert performance assessment within the European Commission Stabilization and Association Process Tracking Mechanism

Actual outputs

- Established Kosovo Trust Agency for the administration of publicly and socially owned enterprises
- Issued six tenders to privatize socially owned enterprises
- Established Economic and Fiscal Council
- Participated in two meetings of the European Commission Stabilization and Association Process Tracking Mechanism
- Collected a total of €384.5 million in customs duty (€69.8 million), value added tax on imports (€173.9 million) and excise tax (€140.8 million) in comparison to a total of €327.5 million for the previous budget cycle

Comments

Political instability following assassination of the Serbian Prime Minister

Unresolved status question complicates relations with Belgrade and regional neighbours

Component 2: Rule of law

Expected accomplishments	*Actual indicators of achievement*
2.1 Improved civil law and order and enhanced capacity of Kosovo Police Service (KPS) in overall numbers, skills and training	2.1.1 Decreased incidents of serious crime as evidenced by reduction in murder rate by 29.7%, from 101 to 71
	2.1.2 KPS officers assumed increased operational responsibilities both in police stations and specialized units
	2.1.3 Representation of ethnic minorities increased from 14.8% (737 of 4,967) to 16% (869 of 5,414) in KPS

Actual outputs

- Conducted 350 raids, searched 61 premises engaged in trafficking/prostitution and filed 92 charges against suspects for trafficking
- Transferred first 4 police stations from international control to KPS control

- Trained and recruited 788 KPS officers, bringing the total number to 5,407, which allowed for the reduction of international civilian police by 310 officers
- Coordinated specialized training for 163 KPS officers

Comments

Continuing instability of security situation in the region

Cross-border influence of organized crime

Limitation of funds from the Kosovo Consolidated Budget for KPS facilities support

Lack of qualified Kosovar candidates for specialized positions

Expected accomplishments	*Actual indicators of achievement*
2.2 Progress towards sustainable local justice system and correctional service	2.2.1 Representation of ethnic minorities among local judges and prosecutors increased from 22 out of 343 (6.4%) to 36 out of 362 (9.9%)
	2.2.2 Increased minority representation in Kosovo Correctional Service from 11.7% (131 out of 1,115) to 14.8% (202 out of 1,363)
	2.2.3 97% of criminal cases, including cases of inter-ethnic violence, and 100% of civil cases handled by local judiciary and no longer by international judges and prosecutors

Actual outputs

- Recruited 42 additional judges and prosecutors from all ethnic backgrounds
- Recruited 200 additional Kosovo Correctional Service staff, of whom 42 are female and 72 belong to minority communities
- Mentored approximately 56 local judges and prosecutors in five district courts in investigation and hearing of sensitive criminal as well as civil cases
- Resolved 72 complaints against local judges and prosecutors through the Judicial Inspection Unit of the Department of Justice; as a result of the Unit's recommendations, disciplinary action was taken in 4 cases

Comments

Recruitment of Kosovar judges and prosecutors from ethnic communities hampered by political influence

Access to justice by ethnic communities facilitated by free bus service to courts and by opening of new courts in minority areas

Continued operation in Kosovo of parallel Serb court system supported by Belgrade Government undermined efforts by UNMIK to harmonize justice system in all Kosovo communities

Component 3: Support

Expected accomplishments	*Actual indicators of achievement*
3.1 Effective and efficient logistical and administrative support was provided to the Mission	3.1.1 The downsizing plan for the Mission, including reduction of 207 international and 485 national posts, was implemented without disruption of programmes and services
	3.1.2 Simplified and more efficient management structure was achieved through consolidation of Communications and Information Technology Sections into one section
	3.1.3 Service contracts for large-scale cleaning and janitorial services were established with consequent reduction in cost
	3.1.4 Rate of traffic accidents involving UNMIK personnel was reduced

Actual outputs

Civilian police

- 3,189 Civilian police served, including rotation and repatriation, transport support, payment of Mission subsistence allowance and other entitlements, communications and information technology support, provision of office space and medical services

Formed police units

- 1,192 members of the formed police units supported and rotated

Civilian personnel

- 4,510 international and national civilian personnel administered, including career development, payments, office, transport, medical support and counselling
- Fully operational Visa Unit was established and no working hours spent by international and national staff for visa requirements

Ground transportation

- Following introduction of the carlog system in 2001, launching of the safe driving courses, road safety weeks, vehicle winterization programme and 5,000 kilometres maintenance schedule for UNMIK vehicles, the accidents rate involving UNMIK personnel went down from an average of 20 per month in 2001/02 to an average of 14 per month during 2002/03
- 2,717 vehicles managed, including distribution, maintenance and repair, for civilian police and international civilian staff

Air transportation

- One fixed-wing aircraft and one helicopter operated with 30 and 40 monthly block hours utilized in police operations and reconnaissance, 3,800 passengers and 3 tons of cargo delivered, and 72 shuttle flights to Belgrade completed

Facilities and infrastructure

- 250 generators in over 100 locations operated, maintained and repaired
- 120 locations maintained Kosovo-wide, including Mission and administrative headquarters, 3 regional headquarters, 5 municipalities, 5 logistics bases and 3 clinics
- The cleaning services in Pristina region outsourced to a local company resulted in reduction of 123 local posts and savings of $83,500 during the period from February to June 2003
- UNMIK 12-bed Health Care Centre, with capacity of 20,000 patient-visits per year and 3 regional clinics operated

Information technology

- 4,467 communications and information technology users, excluding civilian police and special police units, supported by completed access to telephone, fax, e-mail and Internet, where appropriate

Other supplies, services and equipment

- 378 staff trained in the areas of civil administration, human resources management, communications and information technology, transport, air safety, finance, engineering and language skills

Comments

The European Union and United States dollar currencies fluctuation factor resulted in additional costs

III. Resource performance

A. Financial resources

(Thousands of United States dollars. Budget year is from 1 July 2002 to 30 June 2003.)

			Variance	
	Apportionment[a]	*Expenditure*	*Amount*	*Percentage*
Category	*(1)*	*(2)*	*(3) = (1) - (2)*	*(4) = (3) ÷ (1)*
Military and police personnel				
Military observers	1 193.1	1 136.7	56.4	4.7
Military contingents	4 273.7	3 836.2	437.5	10.2
Civilian police	93 819.9	91 477.8	2 342.1	2.5
Formed police units	19 629.6	18 758.0	871.6	4.4
Subtotal	**118 916.3**	**115 208.7**	**3 707.6**	**3.1**
Civilian personnel				
International staff	114 990.4	123 590.7	(8 600.3)	(7.5)
National staff	43 002.1	39 544.2	3 457.9	8.0
United Nations Volunteers	8 316.0	7 460.1	855.9	10.3
Subtotal	**166 308.5**	**170 595.0**	**(4 286.5)**	**(2.6)**
Operational costs				
General temporary assistance	322.5	541.7	(219.2)	(68.0)
Government-provided personnel	—	—	—	—
Civilian electoral observers	—	—	—	—
Consultants	—	4.9	(4.9)	—
Official travel	1 297.6	1 482.7	(185.1)	(14.3)
Facilities and infrastructure	19 547.9	19 576.7	(28.7)	(0.1)
Ground transportation	5 612.0	5 666.8	(54.8)	(1.0)
Air transportation	3 370.7	2 595.1	775.6	23.0
Naval transportation	—	—	—	—
Communications	6 783.2	6 608.5	174.7	2.6
Information technology	2 174.8	1 807.1	367.7	16.9
Medical	931.2	688.5	242.7	26.1
Special equipment	112.1	137.1	(25.0)	(22.3)
Other supplies, services and equipment	4 623.2	5 055.0	(432.0)	(9.3)
Quick-impact projects	—	—	—	—
Subtotal	**44 775.2**	**44 164.1**	**611.1**	**1.4**
Gross requirements	**330 000.0**	**329 967.8**	**32.2**	**0.0**
Staff assessment income	22 968.9	25 082.5	(2 113.6)	(9.2)
Net requirements	**307 031.1**	**304 885.3**	**2 145.8**	**0.7**
Voluntary contributions in kind (budgeted)	—	—	—	—
Total requirements	**330 000.0**	**329 967.8**	**32.2**	**0.0**

[a] Reflects adjusted distribution of approved resources between military and police personnel and operational costs categories of expenditure.

B. Other income and adjustments

Category	*Amount (Thousands of US dollars)*
Interest income	3 145
Other/miscellaneous income	2 639
Voluntary contributions in cash	5
Prior-period adjustments	—
Savings on or cancellation of prior-period obligations	4 983
Total	**10 772**

C. Contingent-owned equipment: major equipment and self-sustainment

Category	*Expenditure (Thousands of US dollars)*
Major equipment	3 836.2
Self-sustainment	
Office equipment	67.3
Laundry and cleaning	27.3
Miscellaneous general stores	200.0
Communications	410.9
Medical services	224.3
Observation	137.1
Subtotal	**1 066.9**
Total	**4 903.1**

Mission factors	*Percentage*	*Effective date*	*Last review date*[a]
A. Applicable to Mission area			
Extreme environmental condition factor	1.0	1 July 1999	—
Intensified operational condition factor	0.8	1 July 1999	—
Hostile action/forced abandonment factor	1.0	1 July 1999	—
B. Applicable to home country			
Incremental transportation factor	1 to 4		

[a] No review of Mission factors has been recommended by UNMIK to Headquarters.

IV. Analysis of variances[1]

	Variance	
Military contingents	$437.5	10.2%

7. Savings were attributable primarily to reduced requirements for contingent-owned equipment owing to non-deployment of a canine unit and early repatriation of one unit in May 2003.

	Variance	
Civilian police	$2,342.1	2.5%

8. The unspent balance was due mainly to the non-obligation of funds for death and disability compensation in view of the fact that sufficient resources were available to cover outstanding claims. The estimated value of 32 claims amounted to $1.6 million, which represented only 37 per cent of the total value of unliquidated obligations ($4.3 million) raised for this purpose since the inception of the Mission.

	Variance	
Formed police units	$871.6	4.4%

9. Savings were attributable primarily to the lower average cost of rotation and repatriation travel, $673 as compared to the budgeted cost of $1,700, owing to higher utilization of chartered flights through letters of assist with Member States.

	Variance	
International staff	($8,600.3)	(7.5%)

10. Because of the magnitude of the savings ($18.4 million) reported for international staff for the performance period ended 30 June 2001, which were attributable mainly to posts being encumbered by staff at lower levels than those authorized, the budget was prepared on the basis of average annual cost of international staff, rather than standard costs. While the increase in average cost, excluding hazard duty allowance, was minimal between 2000/01 and 2001/02 ($84,200 and $85,500, respectively), the average cost increased to $91,400 in 2002/03 for a number of reasons. The increase in cost and related overrun under this heading resulted from revised post adjustment rates approved effective 1 November 2002, new salary scales for Professional staff and above and Field Service staff (both 100 series and 300 series) effective 1 January 2003, the approval of special post allowance for staff performing functions at a higher level and a decrease in the number of staff appointed at lower levels than authorized, as well as increased separation costs owing to the downsizing of the Mission.

[1] Resource variance amounts are expressed in thousands of United States dollars.

	Variance	
National staff	$3,457.9	8.0%

11. The unspent balance under this heading resulted from recruitment of staff at lower levels than authorized.

	Variance	
United Nations Volunteers	$855.9	10.3%

12. The higher actual average monthly vacancy rate of 13.6 per cent, compared to the 10 per cent vacancy rate applied to the budget, as well as the lower actual average monthly cost per person of $2,500, compared to $2,900 projected in the cost estimates, resulted in savings under this heading.

	Variance	
General temporary assistance	($219.2)	(68.0%)

13. The additional requirements were attributed to the services of 26 contractors hired in the areas of judicial affairs, public information and regional administration. The specific tasks they carried out included a study on Kosovo political and administrative structures at the central, municipal and local community levels; development of a design and implementation strategy with regard to identification cards, driver's licences and travel documents for Kosovo residents; legal research and advice on applicable international, criminal, humanitarian and human rights laws in various judicial institutions of Kosovo; evaluation of technical capabilities of live television transmissions to the minority communities in Kosovo; anthropologist and forensics services; creation and consolidation of databases for the Office on Missing Persons and Forensics; and assistance to the movement control activities, including receipt and shipment of equipment delivered by vendors.

	Variance	
Consultants	($4.9)	(–)

14. The expenditures related to the employment of six international experts who provided consultancy services to the Kosovo Assembly, the Ministry of Culture, Youth, Sports and Non-Resident Affairs and the Ministry of Education for a total period of 3 months.

	Variance	
Official travel	($185.1)	(14.3%)

15. The additional requirements were primarily attributed to the cost of travel to Kosovo of members of the Security Council from 13 to 17 December 2002.

	Variance	
Air transportation	$775.6	23.0%

16. Savings resulted from the replacement of a Bell-212 helicopter with a Beech King 200 aircraft as of 1 November 2002. The hire charges for the Beech King were $1,852 per flying hour, compared to $7,381 per flying hour for the Bell-212.

	Variance	
Communications	$174.7	2.6%

17. The unspent balance resulted from economies achieved through the procurement of "complete spare" communication units and modules.

	Variance	
Information technology	$367.7	16.9%

18. The savings are attributed to the integration of the Communications and Information Technology Sections, resulting in lower information technology equipment requirements owing to an integrated Communications and Information Technology Sections network.

	Variance	
Medical	$242.7	26.1%

19. The unspent balance resulted from the lower monthly average medical services cost of $3.80 per person, as compared to the cost of $4.90 applied to the budget.

	Variance	
Special equipment	($25.0)	(22.3%)

20. The additional requirements resulted from reimbursement for night observation equipment provided under self-sustainment arrangements to 385 special police, rather than to 310 special police, as provided for in the budget.

	Variance	
Other supplies, services and equipment	($432.0)	(9.3%)

21. The additional requirements resulted primarily from loss on exchange owing to European currency and United States dollar fluctuations.

V. Actions to be taken by the General Assembly

22. **The actions to be taken by the General Assembly in connection with the financing of UNMIK are:**

(a) **To decide on the treatment of the unencumbered balance of $32,200 with respect to the period from 1 July 2002 to 30 June 2003;**

(b) **To decide on the treatment of other income/adjustments for the period ended 30 June 2003 amounting to $10,772,000 from interest income ($3,145,000), other/miscellaneous income ($2,639,000), voluntary contributions in cash ($5,000) and savings on or cancellation of prior-period obligations ($4,983,000).**